

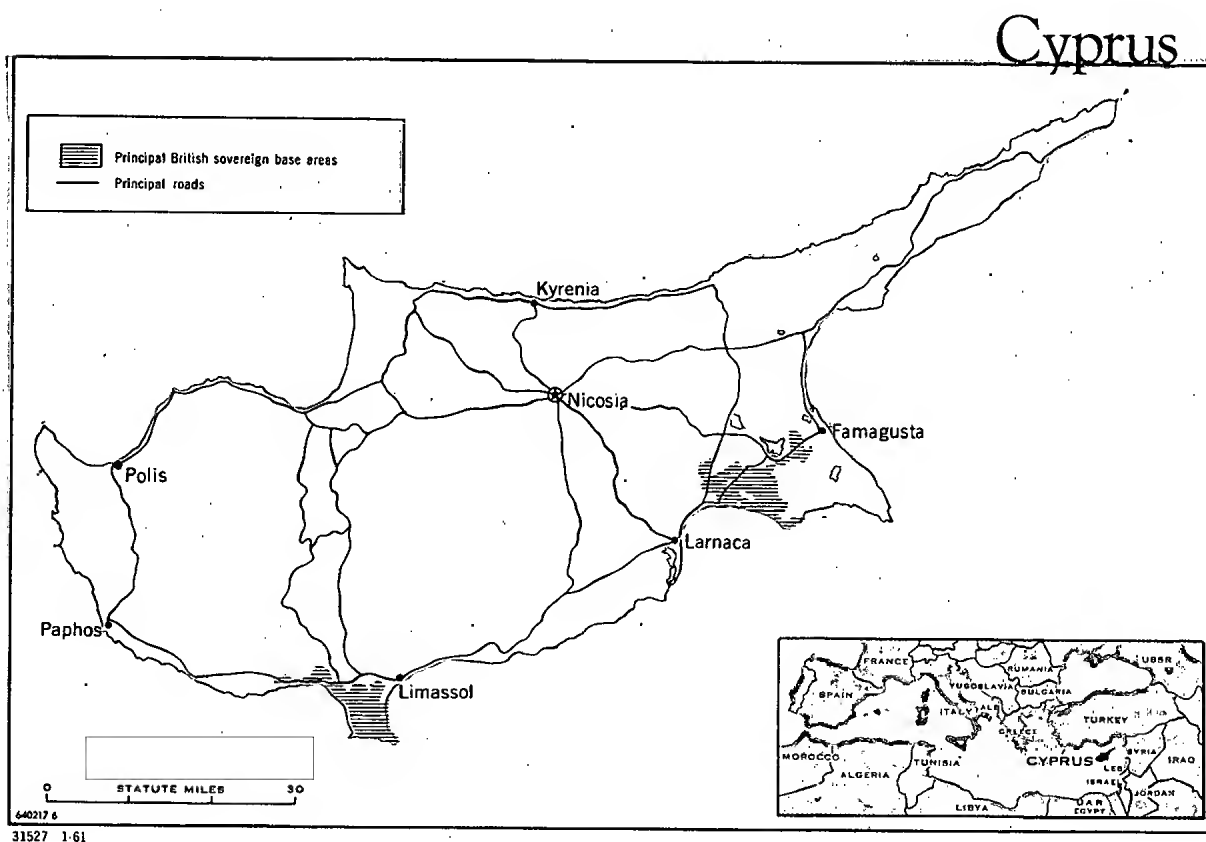
THE PRESIDENT'S INTELLIGENCE REVIEW

ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY

4 - 7 APRIL 1964

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~~TOP SECRET~~



7 April 1964

1. Cyprus: Makarios' unilateral abrogation of the Treaty of Alliance last Friday has been followed by a series of clashes which have again raised temperatures on the island.

The ever expanding Greek Cypriot force (it may soon number 20,000) continues to strongarm its way around despite the UN, and both sides are back to their old practice of seizing hostages.

Makarios seems determined to force removal of the Turkish Army contingent, most of which is manning fortifications and roadblocks along the Nicosia-Kyrenia road. The Turks are equally determined to stay there, and have warned Athens that any Greek Cypriot action against their contingent will be taken as aggression against Turkey.

[redacted] are increasing pressure on the Greeks in Turkey in hopes this will be translated into Greek pressure on Makarios to be more reasonable.

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Meanwhile, no one is giving Tuomioja's mediation effort much of a chance. Neither side shows any disposition to compromise.

2. Brazil: Leaders of the revolt against Goulart are bringing heavy pressure on Congress and interim President Mazzilli to assure election of a strong military man to fill out the rest of Goulart's term. Their choice apparently is either Army Chief of Staff, Castello Branco, or the respected elder statesman and former President, Marshal Dutra.

The revolt's leaders are determined to prevent a drift back to the old order

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The "Revolutionary Council" has already given War Minister Costa e Silva sweeping powers of arrest and dismissal, including the power to cancel congressional immunity of all legislators.

Fear is growing, not only in Congress but among many who actively supported the revolt, that the revolution may have given birth to a monster. There is growing resentment at the sometimes high-handed and arbitrary arrest and search tactics of the military in ferreting out left-wing vestiges of the Goulart regime.

All of this argues for selection of Goulart's successor soon, and Congress is already setting up voting procedures. They may make their selection by this week's end.

3. South Vietnam: Khanh's troubles with civilian politicians in his regime have come into the open.

His interior minister, Ha Thuc Ky, has resigned in protest over Khanh's refusal to allow him to make appointments.

Other resignations are expected as Khanh is determined to keep full control to himself.

On Sunday he dissolved the Council of Notables, which he considered both disloyal and an impingement on his authority. Many of its members are likely to go into opposition.

Khanh announced at the same time that elections to a constituent assembly would be held within the next several months, if possible.

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4. USSR:

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5. **USSR:** [REDACTED] 50X1
[REDACTED] 50X1
[REDACTED] 50X1
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[REDACTED] 50X1
[REDACTED] 50X1
[REDACTED] 50X1
[REDACTED] 50X1
6. **Cuba:** [REDACTED] 50X1
[REDACTED] 50X1
[REDACTED] 50X1
[REDACTED] We still think they will
be able to assume full control of the SAM system by
late this month or early in May. [REDACTED] 50X1
7. **Panama:** The National Guard, though widely scat-
tered, managed to frustrate the several demonstrations
which pro-Communists had planned for the past weekend.
The strike of banana workers continues, but has not
spread. Left-wing political organizations now have
their attention focussed on the 10 May elections and
are joining forces to present a common front.

8. Bolivia-Chile-US: An incident in which Chilean soldiers apparently fired into a Bolivian border town has led to a request from Bolivia that the US provide good offices between the two countries. Ambassador Henderson points out that normally Brazil would be asked to take on the job but that neither Bolivia nor Chile have yet recognized the new government.

9. North Sea Oil: The rights to possible gas and petroleum deposits under the North Sea threaten to become a major source of friction among the countries along its edges.

Almost the entire continental shelf under the North Sea lies within the same geological formation as the big gas field, perhaps the world's third largest, found recently in the Netherlands.

Prospects for new finds look good, but no one is sure just what belongs to whom, and negotiations will be needed to settle the matter.

They could be long and acrimonious.

10. Tanks for Israel:

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